

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 EA-09 FRB-01 INR-07 IO-10 NEA-10 NSAE-00

OPIC-06 SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01

OIC-02 HEW-06 L-03 H-02 /092 W
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P 071218Z NOV 75

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TO SECSTATE WASH DC PRIORITY 9129

UNCLAS SECTION 01 OF 03 OECD PARIS 29051

DEPT PASS LABOR FOR METCALF

E.O. 11652: N/A

TAGS: ELAB, OECD

SUBJECT: LABOR MINISTERS MEETING: DRAFT FINAL
COMMUNIQUE

SOCIAL AFFAIRS, MANPOWER AND EDUCATION DIRECTORATE
HEAD GASS GAVE US DELEGATION, ON STRICTLY CONFIDENTIAL
BASIS, COPY OF FIRST DRAFT COMMUNIQUE TO BE ISSUED BY
LABOR MINISTERS. GASS INDICATED THAT COMMUNIQUE MAY
NOT BE DISTRIBUTED DURING SPECIAL WP FOR MINISTERIAL
MEETING NOV. 13-14, BUT WAS MAKING SAME AVAILABLE FOR
US BECAUSE OF LEADERSHIP ROLE WE HAVE ASSUMED IN
PREPARATION FOR MINISTERIAL MEETING. TO OUR KNOWLEDGE,
NO OTHER DELEGATIONS HAVE BEEN PROVIDED WITH A COPY,
TEXT OF WHICH FOLLOWS:

BEGIN TEXT.

1. EMPLOYMENT WAS THE CENTRAL ISSUE AT THE FIRST MINIS-
TERIAL LEVEL MEETING OF THE OECD COMMITTEE OF MANPOWER
AND SOCIAL AFFAIRS WHICH WAS HELD ON 4TH AND 5TH MARCH
UNDER THE CHAIRMANSHIP OF

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2. MINISTERS REVIEWED THE PRESENT UNEMPLOYMENT AND

EMPLOYMENT SITUATION, ON THE BASIS OF OECD ANALYSIS OF THE MANPOWER AND EMPLOYMENT MEASURES INTRODUCED BY MEMBER COUNTRIES DURING THE RECENT RECESSION AND OF THE ECONOMIC OUTLOOK OF OECD COUNTRIES FOR THE PERIOD IMMEDIATELY AHEAD. THEY CONCLUDED THAT:

(-ALTHOUGH ECONOMIC RECOVERY HAS BEGUN IN SOME MAJOR OE COUNTRIES THERE WILL BE A CONSIDERABLE LAG IN REDUCING UNEMPLOYMENT, BECAUSE THE FIRST EFFECTS WILL BE TO RESTORE FULL-TIME WORKING FOR THE MANY WHO ARE NOW ON PART-TIME AND TO TURN DISCOURAGED WORKERS AND SCHOOL LEAVERS INTO ACTIVE JOB-SEEKERS;)

- IN THESE CIRCUMSTANCES, THERE IS A CONTINUING NEED FOR POSITIVE AND SELECTIVE MANPOWER AND EMPLOYMENT ACTION ON A BIGGER SCALE (THAN IN THE RECENT PAST), AS A COMMENT TO DEMAND REFLATION AND IN ORDER TO FACILITATE THE STRUCTURAL CHANGES IN RESPONSE TO THE ENERGY CRISIS AND CHANGING PATTERNS OF INTERNATIONAL TRADE, (ESPECIALLY IN ECONOMICALLY DECLINING REGIONS);

- AS PART OF THE PROCESS OF RECOVERY, RESOURCES NEED TO BE SHIFTED FROM INCOME MAINTENANCE FOR THE UNEMPLOYED TO THE PROVISION OF SOCIALLY USEFUL AND ECONOMIC ALTERNATIVES TO UNEMPLOYMENT.

3. THE SPECIFIC POLICIES APPROPRIATE TO THE PRESENT SITUATION WERE ALSO DISCUSSED. MINISTERS RECOGNIZED THAT EACH COUNTRY NEEDS A UNIQUE MIX OF POLICIES, BUT IT WAS AGREED THAT ALL SHOULD GIVE NEW EMPHASIS (SERIOUS CONSIDERATION) TO THE FOLLOWING ELEMENTS:

- EXPANDED MANPOWER TRAINING AND RETRAINING TO HELP THE LONG-TERM UNEMPLOYED AND NEW ENTRANTS TO THE LABOR MARKET TO ENTER SECTORS OF THE ECONOMY NEEDING MANPOWER;

- TEMPORARY AND SELECTIVE SUBSIDIZATION OF ENTERPRISE WAGE COSTS WHILST UNEMPLOYMENT RATES REMAIN HIGH, IN ORDER TO PRESERVE EMPLOYMENT;

- MORE ACTIVE JOB-CREATION POLICIES IN THE PUBLIC SECTOR,
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COMMUNITY EMPLOYMENT PROJECTS AND INCREASED EXPENDITURE ON PUBLIC WORKS AND IMPROVEMENTS OF NATIONAL INFRASTRUCTURE WHICH HAVE AN IMMEDIATE EFFECT ON EMPLOYMENT AND BOLSTER BUSINESS CONFIDENCE;

- INTRODUCTION OF MORE FLEXIBLE SYSTEMS OF RETIREMENT WHICH PERMIT PENSIONERS TO LEAVE AND ENTER THE LABOR MARKET WITHOUT PREJUDICE TO THEIR PENSION RIGHTS.

4. RECOGNIZING THE CONTINUED VULNERABILITY OF EMPLOYMENT IN OECD COUNTRIES TO SHORT-TERM INTERNATIONAL ECONOMIC INSTABILITY, THE MINISTERS AGREED THAT EACH COUNTRY SHOULD STRENGTHEN THE STANDING CAPACITY OF ITS

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EB-07 EA-09 FRB-01 INR-07 IO-10 NEA-10 NSAE-00

OPIC-06 SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01

OIC-02 HEW-06 L-03 H-02 /092 W
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MANPOWER AND EMPLOYMENT SERVICES TO RESPOND SPEEDILY TO SHORT-TERM FLUCTUATIONS IN EMPLOYMENT. IT WAS ALSO AGREED THAT OECD SHOULD MAKE ARRANGEMENTS FOR MONITORING EMPLOYMENT DEVELOPMENTS AND POOLING INFORMATION ON MEASURES TAKEN IN THE MEMBER COUNTRIES, SO AS TO REINFORCE NATIONAL ACTION.

5. LOOKING AHEAD, THE MINISTERS AGREED THAT THE EMPLOYMENT CHALLENGE FACING THE OECD COUNTRIES IS NOT ONLY TO REDUCE UNEMPLOYMENT BUT ALSO TO WORK OUT A NEW STRATEGY FOR FULL EMPLOYMENT RELEVANT TO THE ECONOMIC AND SOCIAL CONDITIONS OF THE 1970S AND BEYOND; AND THAT FULL EMPLOYMENT MUST CONTINUE TO BE PURSUED AS AN ESSENTIAL (LONG-TERM) OBJECTIVE OF THE OECD COUNTRIES. THE (PRESENT) (RECENT) EMPLOYMENT CRISIS HAS DEMONS-

TRATED THE CAPACITY OF POLICY IN THE SHORT-TERM TO MAINTAIN THE INCOMES OF THE UNEMPLOYED AND PRESERVE JOBS BY SHORT-TIME WORKING, BUT THIS IS NOT A SOCIALLY OR ECONOMICALLY SOUND SOLUTION IN THE LONG RUN. THE AIM SHOULD BE THE FULL DEVELOPMENT AND UTILIZATION OF HUMAN POTENTIALS OF THE OECD COUNTRIES, INVOLVING NOT ONLY THE EXPANSION OF EMPLOYMENT, BUT ALSO (IMAGINATI-
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VE MANPOWER, SOCIAL AND EDUCATIONAL) POLICIES TO CHANGE THE STRUCTURE OF LABOR SUPPLY AND PROVIDE THE BALANCE BETWEEN WORK, LEISURE AND EDUCATION WHICH WOULD GIVE AS MANY CITIZENS AS POSSIBLE SATISFYING AND SOCIALLY USEFUL CAREERS. MORE ATTENTION SHOULD ALSO BE GIVEN TO AUGMENTING SOCIAL WELFARE THROUGH WORK OPPORTUNITIES RATHER THAN INCOME SUPPORT FOR THE WEAKER SOCIAL GROUPS. FULL EMPLOYMENT WOULD THUS BE A COMBINED ECONOMIC AND SOCIAL TARGET, INVOLVING A WIDER RANGE OF POLICIES THAN IN THE PAST TWO DECADES, FOR EXAMPLE:

- POSITIVE ACTION TO SET EMPLOYMENT TARGETS AND STIMULATE THE CREATION OF JOBS AS PART OF NEW INVESTMENT;

- MORE FLEXIBLE CAREER, EDUCATIONAL AND RETIREMENT PATTERNS FOR ALL, SO AS TO ENABLE SOME TO ADJUST THEIR PARTICIPATION IN THE LABOR MARKET AND MAKE ROOM FOR OTHERS;

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A WIDER RANGE OF INTERRELATED EDUCATION AND WORK OPTIONS FOR YOUNG PEOPLE IN THE 16-19 AGE GROUP, WITH SOME PREPARATION FOR WORKING LIFE IN ALL SECONDARY EDUCATION;

- MORE TRAINING AND RECURRENT EDUCATIONAL OPPORTUNITIES FOR ADULTS, SO AS TO HELP THEM TO ADJUST THEIR SKILLS TO ECONOMIC AND TECHNOLOGICAL CHANGE;

- MORE AFFIRMATIVE ACTION ON THE RANGE AND QUALITY OF JOBS AVAILABLE TO WOMEN, YOUTH, OLDER PEOPLE, THE HANDICAPPED AND THOSE LIVING IN REMOTE AREAS.

6. MINISTERS AGREED THAT SUCH POLICIES COULD ONLY BE BUILT ON THE FOUNDATION OF AN EFFICIENT AND ADAPTABLE ECONOMY, AND WITH THE FULL COOPERATION OF THE SOCIAL PARTNERS. JOB SECURITY MUST BE RECONCILED WITH THE MOBILITY NEEDED TO RESPOND TO NEW ECONOMIC OPPORTUNITIES. THE FINANCIAL BURDEN OF SOCIAL POLICIES MUST BE COMPATIBLE WITH THE WILLINGNESS OF TAXPAYERS TO SHOULDER THE BURDEN. PRICE MODERATION AND RESPONSIBLE INCOME POLICIES ARE NECESSARY COMPONENTS OF A HIGH-EMPLOYMENT,

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OPIC-06 SP-02 TRSE-00 CIEP-02 LAB-04 SIL-01 OMB-01

OIC-02 HEW-06 L-03 H-02 /092 W

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INFLATION-FREE ECONOMY. ALL TOGETHER IMPLY THE NEED FOR GREATLY STRENGTHENED LINKAGES BETWEEN SELECTIVE MANPOWER AND EMPLOYMENT POLICIES, WAGES AND PRICES POLICIES AND DEMAND MANAGEMENT, AS PART OF AN EMPLOYMENT STRATEGY WHICH PROPERLY MESHERS CONJUNCTURAL, STRUCTURAL AND LONG-RUN SOCIAL OBJECTIVES.

7. INTERNATIONAL COOPERATION IS ALSO NEEDED TO AVOID BEGGAR-THY-NEIGHBOR POLICIES IN THE MANPOWER FIELD IN THE SPIRIT OF THE TRADE PLEDGE RENEWED BY THE OECD MINISTERIAL COUNCIL IN MAY 1975. IN PARTICULAR, MAJOR CHANGES IN MIGRATION FLOWS BETWEEN SOME EUROPEAN MEMBER COUNTRIES CALL FOR INTENSIFIED COOPERATION BETWEEN HOST COUNTRIES AND COUNTRIES OF ORIGIN, SO THAT THE BURDEN

OF ADJUSTMENT CAN BE SHARED.

(A PARAGRAPH REFERRING TO THE FORTHCOMING ILO WORLD
CONFERENCE MAY ALSO BE DESIRABLE, ALONG THE LINES
OF THAT IN THE COMMUNIQUE OF THE MINISTERIAL-LEVEL MEET-
ING OF THE COMMITTEE FOR SCIENTIFIC AND TECHNOLOGICAL
POLICY PRIOR TO THE 7TH SESSION OF THE UN GENERAL
ASSEMBLY.)

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8. AT THE CONCLUSION OF THEIR DISCUSSIONS, THE MINIS-
TERS AGREED TO ADOPT (PROPOSE) AN OECD RECOMMENDATION
ON MANPOWER AND EMPLOYMENT POLICIES FOR THE 1970S WHICH
INCORPORATES THE ABOVE CONCLUSIONS. END TEXT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EMPLOYMENT, MINISTERIAL MEETINGS, MEETING DELEGATIONS, COMMUNIQUE
Control Number: n/a
Copy: SINGLE
Draft Date: 07 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OECDP29051
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750387-0900
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751163/aaaaceta.tel
Line Count: 297
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 OCT 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 OCT 2003 by chicheje>; APPROVED <18 FEB 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LABOR MINISTERS MEETING: DRAFT FINAL COMMUNIQUE
TAGS: ELAB, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006